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FARM BUSINESS FACTS

A radio discussion between Wallace Kadderly, Radio Service, and E. J. Rowell, Agricultural Marketing Service, broadcast during the Department of Agriculture portion of the National Farm and Home Hour Thursday, August 17, 1939, by the National Broadcasting Company and associated stations.

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KADDERLY:

Within the past 24 hours the Bureau of Agricultural Economics has issued two of its monthly situation reports. One is on demand and prices; the other is on the dairy situation. As usual, here's E. J. "Mike" Rowell, ready to give us the highlights of these reports. Suppose you start with the demand report, Mike.

ROWELL:

All right, Wallace. A couple of months ago we reported that housewives had a little more money to spend for farm products. This improved condition has continued up to the present time, but I want to make it clear that no big improvement is in sight.

KADDERLY:

No big improvement. Well, what can you say about prospective demand during the next few months?

ROWELL:

The men at the Bureau who study the conditions in the more important industries say there probably won't be much change in the amount of money home-makers can spend for food during the rest of this year. There are some signs of higher wholesale prices of industrial raw materials, but the lower prices of farm products and foods have kept the general level of wholesale prices from going up.

KADDERLY:

This demand and price report gives some information on several of the more important farm commodities. I know you'll report on the livestock situation tomorrow--so we won't ask for anything along that line today. But may we have a few words for the fruit and vegetable growers whose crops are now going to market. Have better business conditions helped these producers any?

ROWELL:

That's pretty hard to answer, Wallace. I think that it's pretty plain that housewives have been buying more fruit, but the larger supplies available this year have meant lower prices than prevailed last year. Mr. Koenig pointed that out for peaches a few minutes ago. Prices for potatoes and most truck crops dropped off some during July because of the heavy supply.

KADDERLY:

That brings up to the dairy situation. Let's hear about that.

ROWELL:

Pasture conditions were not as good as they were a month ago. On August 1 pastures in the North Atlantic States were poorer than in the drought years of

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1934 and 1936. However, total milk production on August 1 was only about 1 to 2 percent less than last year and was second highest on record for August first.

KADDERLY:

Is it expected that milk production will continue heavy?

ROWELL:

Yes, even though pastures are poor, the prospects are that feed grain production will be about average and milk production will continue rather heavy, as compared with recent years.

KADDERLY:

We know that butter prices have been low --- but so have prices of feed grain. Has the price of butter as compared with the price of grain been favorable to the dairy farmer?

ROWELL:

Yes, Wallace, I'd say it has in a general way. At least it's been as favorable as it was in the period of 1925 to 1929. And that period of 1925 to 1929 was a period of expanding dairy industry and larger income to the dairy farmer.

KADDERLY:

Now to sum up. You said: business conditions are better than they were during the early part of this year, and during the last half of last year -- not much change is expected during the rest of this year; and -- that milk production has been heavy and that it will probably continue heavy. (Ad lib close)

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